-- SUMMARY OF SALES / UTILIZATION STATUTES --

STATUTE	SALE OF	SALE TO	FOR	RESTRICTIONS	FINANCIAL	APPROVAL LEVEL
10 USC 4532 (The Arsenal Act)	"Supplies" (articles or services)	Other Army activities	Army use (but can be partial and items supplied as GFE to contractor)	Must establish "economical basis"; make-or-buy decision on out- of- pocket, but pay full cost	Reimburse-ment, by project order	CDR of facility (By reg)
10 USC 2208 (h)	AWCF inventory	Contractors	Use in performing DOD contracts		Reimburse fund	PCO (?)
10 USC 2208(j)	Manufactured or re-mfd goods or services as subcontractor	Contractors	Fulfilling DOD contract or subcontract	Solicitation for contract / subcontract must be open to public/private competition	Omit costs of DOD-designated "mission-critical activities", ancillary activities	HCA (Delegation)
10 USC 4543 (Mfr of large cal cannon, gun mounts, recoil mech., munitions or components)	Manufactured items / related services	U.S. company	DOD, USG, friendly foreign government, or commercial	Items/services not commercially available; buyer indemnifies US	Incremental payments; ***may*** be FFP / variable costs if commercial item; develop working capital	CDR of MSC responsible for facility (By statute)
10 USC 2563 (NOT mfr of cannon, mounts, recoil mech., munitions/components; DOD may designate)	Articles and services	Person outside DOD	Not specified, but subject to Arms Export Control Act	Items/services not commercially available; buyer indemnifies US, but gross negligence/ willful misconduct / Govt noncompliance excluded	Incremental payments; FPP; variable costs + deprec. + capital improvement ; develop working capital	DA level (Delegation)
22 USC 2770	Defense articles and services	U.S. company	Incorporation into end items for friendly foreign country	Items/services not commercially available; buyer indemnifies US export license/ possible end-user certificate	Advance payment of estimated costs; full cost	HCA (delegation)

Note: There are two instances in which approval levels have a question mark. In those two instances there is no statute, regulation, or delegation that specifies the approval level, so the approval level has developed by custom.

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STATUTE	SALE OF	SALE TO	FOR	RESTRICTIONS	FINANCIAL	APPROVAL LEVEL
10 USC 2539b	Samples, drwgs, equpmnt / mtls lab / test facilities	Person or entity	Independent research & development or use in demonstrations to friendly foreign govts	Equipment /materials must be used exclusively for research and development	recoup direct and indirect costs	PARC --- instn cdr
10 USC 2358 (cooperative agreements or grants)	Services, use of employees or facilities	Private sector or other federal agencies	Participation in R & D projects relating to weapon systems or other military needs	Can't duplicate research under other DoD programs; Army funds can't exceed outside funding	Funds to Army	COC-Wrn or Pictny; >$5 m /yr or $25m total DA level (del)
10 USC 2371 "other transactions"	Services, use of employees or facilities		Participation in R & D projects	Can't duplicate research under other DoD programs; Army funds can't exceed outside funding; use when standard contract or cooperative agreement not appropriate	Reimburse-ment goes to special Treasury account	COC-Wrn or Pictny; >$5 m /yr or $25m total DA level (Delegation)
10 USC 2474 (Centers of Industrial Technical Excellence)	Services related to depot-level activity core competencies, or use of facilities or equipment	Private industry	Public- private partnership to increase use/decrease costs, or encourage creation and preservation of jobs to maintain skills	Must have no adverse effect on readiness; private industry must indemnify US	Reimburse direct & indirect costs to fund that incurred; can use revenues for facility operation, maintenance & env.restoration	MSC CG (?)
15 USC 3710a (Cooperative Research and Development Agreements)	R & D work by federal "lab" , or use of lab's equipment and facilities	Non-federal entity	Enhancing technological knowledge of lab and private sector for mutual benefit; transferring technology	R & D must be consistent with lab's purpose, not unduly compete with services in private sector	Reimburse direct & indirect costs to fund that incurred	Director of federal laboratory (By statute)